

August 15th, 2008

National Lifestyle Media Development Program

A proposal submitted to the Central Fund of the USDA's Emerging Markets Program
by

FAS/China, USDA, 1400 Independence Av. SW, Washington DC, 20036
FAS/China Project Coordinate

Coordinating Office

Eric Trachtenberg

Director

Agricultural Trade Office, Beijing, China
Tel) 8610-6532-1953, fax) 8610-6532-2962

Participating Offices

Kevin Latner Agricultural Trade Office Chengdu, China Tel) 8628-8526-8668, fax) 8628-8526-8118	Joani Dong Agricultural Trade Office Guangzhou, China Tel) 8628-8526-8668, fax) 8628-8526-8118	Wayne Batwin Agricultural Trade Office Shanghai, China Tel) 8621-6279-8622, fax) 8621-6279-8336	James Butterworth Agricultural Trade Office Shenyang, China
--	--	---	---

Overview:

This project is part of FAS China's overall effort to create a marketing environment that maximizes consumer recognition and acceptance for U.S. agricultural products. This project will be closely integrated with the HRI National Development Program which will be funded separately. National and local media are actively seeking American food and style. These media inform consumers and influence consumption trends. In FY05 FAS China began a national media program. The program was wildly successful, creating a media club based in Beijing that provides access to key lifestyle media outlets. This proposal would expand the current program to include Shanghai and other second tier/emerging city market (ECM) locations, beginning with ATO Chengdu. The Chengdu ECM would become a prototype for penetrating other ECMs.

Each Post would be responsible for implemented their portion of the program and would be provided a specific allocation from this single proposal. Posts would then develop localized programs that would be coordinated at a national level, where appropriate. There would be various activities, including media education seminars and receptions, recruitment of major 'national' and local print/TV media journalists (reporters/editors) for trips on U.S. Life-Style Media Team.

Educating the local and national Life-Style Media is a critical part of USDA China's larger China market development strategy. These activities provide an opportunity to introduce the Chinese Media to American food and style as part of an American lifestyle theme and offers a range of exposure to production, distribution, handling and use of agricultural and food products. While focus would be on 'hot & trendy' products and issues, the overall strategy provides strong support and encouragement for Chinese media with national scope to report on and about US policies, products, and issues thus reinforcing market information, influencing trade policy and affecting consumer mindset.

Background and Justification:

FAS China has developed an education program for the media on style, quality, safety and other key characteristics of U.S. food and agricultural products. The National Life-Style Media Team supports development of a national information platform on food safety-nutrition, biotechnology, and other consumer concerns. Life-style print media are key partners in educating Chinese consumers on US production, policy, distribution, and consumption. FAS China brings a level of credibility to the process that non-governmental organizations and companies cannot. Post then works with these stakeholders to incorporate their views and build a positive, healthy and safe image for U.S. agricultural products.

The program began in 2005 and continued into 2007 by sponsoring an EMP-funded Life-style Media Team to the US to participate in the National Restaurant Association Show and a number of other activities. Trips included stops to focus on wine, citrus, and cotton. In all the trips, between five and six key reporters and editors of national life-style print media were introduced to aspects of American lifestyle and they were able to develop a understanding of production, distribution, handling and use of food and agricultural products in the U.S., including stops in California, New York, and Illinois. ATO coordinated visits with USDA cooperator offices and visits were arranged to winery and citrus sites in California, US cotton in New York and the NRA Show in Chicago. This effort was embraced by the U.S. agriculture and food industry, as well as Chinese media participants.

One significant outcome of these trips has been a series of articles and special reports on U.S. agricultural and style. Articles covered topics from California wine production, variety, quality and availability in China; citrus production and processing; California almond production and the health and lifestyle benefits; U.S. cuisines; US cotton; quality and safety of US meat products; NRA and other food shows. The long-term benefits go far beyond the one-time value of an article; FAS China has become a working partner with these media representatives. They trust the ATO and USDA as a reliable source of quality information about U.S. production, policy, and food health and safety as well as trendy new-to-market products. This will continue to provide on-going benefits in the years ahead.

Post has developed working relationships with about 15 major life-style media with national scope, including: Trendhealth, Men's Health, Cosmopolitan, Good Housekeeping, Woman's Day, Fitness, Betty's Kitchen, Lady, etc. Circulation, geographic coverage and key readership is detailed in appendix one. Initially started in Beijing, this year's project will expand current key media outlets in Shanghai to include local media outlets in Chengdu and to build increased media coverage through the cross-fertilization of China's local and national media.

As evidenced above, FAS China has developed media contacts in the media centers to a level about U.S. food and style that allows for a new training focus. The greatest opportunities for economic growth and media access are in the ECMs, however. Over 54 percent of U.S. exports to China go to the top 15 ECMs, including Chengdu. Growth rates in Chengdu and Chongqing, the first two target ECMs are the highest in the country, 17 and 18 percent respectively and in Chengdu growth in international trade for the first half of 2008 is over 50 percent.

ATO Chengdu covers a region with a population of 200 million and a GDP of \$289 billion. The area is twice the size, six times the population, and three times the GDP of Central America and its international trade it is roughly comparable. Chengdu, the capital of Sichuan, leads China in food style. Every major city in China has a Sichuan restaurant and Chengdu's numerous cooking schools training chefs from all over China and the world. ATO Chengdu would build a local media campaign that would both tap into Sichuan's leadership in food style and be a pilot for implementation of the National Media Program in other ECMs.

As in other ECMs, reporters and editors in Chengdu want to know about the quality, availability, and usage of U.S. agriculture and food products. The media in ECMs is untapped by foreign competitors, allowing the U.S. derive the benefits of being first-to-market, and they are eager to bring trendy food and style to local consumers. In fact, there is an information gap between media information provided to those media outlets noted in Appendix 1 and local media in ECMs. The local media component of this program would target China's fastest growing markets by developing a ECM program for developing first Chengdu, Chongqing, and other ECMs the level of media understanding, and resulting coverage, that has already been achieved in the media centers. ATO Chengdu would use the experience of building a media following in Chengdu and Chongqing to develop a ECM Media Development Program that would be available for ATO Shenyang once the office is open.

Project Goals and Objectives:

The following are overall goals and objectives for media centers and ECMs.

- Time-critical opportunity to deliver a positive US agriculture message to Chinese consumers via media exposure on a wide range of topics from food safety-biotech to high quality food-fiber-forestry-seafood products in a highly controlled environment.
- Positions ATOs as critical source of information on these issues.
- National Life-Style publications have the potential to influence reader-consumers on everything from fashion and health to food safety and government policy.
- US visit educates media about US availability, quality, safety, nutrition, and health who in turn produce credible and exciting articles and editorials.
- Reinforces USG trade policy message to government via consumers.
- Long-term market development effort for China-wide markets is far-reaching, as the impact of national media covers multiple geographies and demographics China-wide.

Launching into ECM media development will target the following goals and objectives:

- Bridge the information gap between national and local media through both independent education and training programs and reverse media missions and programs coordinated with the national program.
- Media-leadership system to establish the U.S. brand as the leading brand in food and style, including the establishment of a local media information on key information including food safety, science, quality, for the industry media and nutrition, cuisine and food style for the food and style media.

- Develop a program of media development, access and promotion that can be replicated in other ECMs to create a single national branded image for U.S. food and agricultural products developed from the ground up.

Workplan:

The specific details of the workplans for each ATO will be developed from the following general workplan. Because the developmental stage of media contacts are different between media centers, i.e., Beijing and Shanghai, and ECMs, component of each ATOs workplan will vary slightly. While emphasis may vary, the key components of each ATO workplan follow:

- Visit USDA/FDA for educational exposure to U.S. food consumption trends, food safety systems, food nutrition programs.
- Visit select growing-packing facilities to expose the team to the grading, washing, waxing and packing of U.S. fruit (photo opportunities).
- Visit wine region/s featuring trendy, healthy and fashionable quality of life factors, etc. Note: A number of reporters have visited European wine regions. Our focus is to capitalize on positive comparisons and ‘uniqueness.’
- Visit Culinary & Media Organizations: Expose team to latest U.S. food trends and American food lifestyle, as well as U.S. peer media coverage of food and agriculture products. (Schools, publishers, etc.)
- Hold individual and cooperative (coordinating between ATOs) educational and training programs for media in target cities in cooperation with USDA cooperators.
- Provide events to educate culinary and media organizations through American lifestyle events.
- Expose media to USDA cooperators, their members and their programs. The focus is on bringing the food quality, availability and use to give a greater depth of understanding of the safety and quality of U.S. food and agriculture.

Budget:

The following budget focuses on the need to maintain the media relationship in media centers (i.e., Beijing, Shanghai) while developing China’s fastest growing ECMs. The focus on ECMs will maximize U.S. agricultural exports to our largest export market opportunities.

Time: 2009-2010

Activity		Cost
Media Teams		
	Combined media teams of national media from media centers and local media from ECMs	60,000
	Local media teams from ECMs	90,000
	National Media teams from media centers	60,000
Media Development		
	Local media development programs in ECM	80,000
	National media development programs in media centers	60,000
Total		350,000

Total Cost:

Media Teams: Approximately \$180,000 for 6 media teams from the regions of seven to nine people, including one (or possibly two, in the case of accompanying combined media teams) ATO LES on each team. Ideally, teams will travel in spring and fall to take advantage of seasonal opportunities. Costs of each Media Team participant including international airfare, domestic transportation, training and accommodation, lodging, and mi & e, etc., will be covered under EMP.

Local Media Development: Approximately \$80,000 for 10-15 media training and education events in each of the regions. Some of the events will include bringing national Chinese media to local media events and include not only the cost of the event, but domestic transportation for key media representatives.

Appendix 1

Name	Monthly Circulation	Key Readers	Geographic Coverage
Trendhealth	40,3200	Single and married working women, well-educated & mature with high incomes	34 cities nationwide with 55% monthly circulations in Beijing, Shanghai and Guangzhou
Cosmopolitan	500,000-1,000,000	Men and Women 18-45 pursuing fashionable Life Style	National (mid-large cities in China and other Asian countries)
Woman's Day	584,537	Women aged 20-34 with high incomes	35 cities nationwide with 39% monthly circulation in Beijing, Shanghai and Guangzhou
Good Housekeeping	318,000	Women aged 25-35, well-educated, high income	21 cities nationwide
Men's Health	343,000	Men aged 22-45 (78%); Women aged 22-45 (22%), well-educated, high income	22 cities nationwide with 45% monthly circulation in Beijing, Shanghai and Guangzhou
Lady	495,000	Women aged 28-48, high income	50 cities nationwide